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ATTORNEYS FOR PLAINTIFF DIVERSI-PLAST PRODUCTS, INC.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

Diversi-Plast Products, Inc.,
a Minnesota corporation,

Plaintiff,

vs.

Battens Plus, Inc.,
a California corporation,

Defendant.

Civil Action No: 2:04-CV-01005 PGC
Judge: Paul G. Cassell

**MEMORANDUM OF LAW IN
SUPPORT OF PLAINTIFF DIVERSI-
PLAST PRODUCTS, INC.'S MOTION
FOR SUMMARY JUDGMENT OF
INFRINGEMENT AND NO
INEQUITABLE CONDUCT**

(ORAL ARGUMENT REQUESTED)

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STATEMENT OF ISSUES

Plaintiff Diversi-Plast Products, Inc. ("Diversi-Plast"), pursuant to Rule 56 of the Federal Rules of Civil Procedure, seeks summary judgment in favor of Diversi-Plast and against Defendant Battens Plus, Inc. ("Battens Plus") that Battens Plus infringes claim 2 of U.S. Patent No. 6,357,193 ("the '193 Patent") and striking Battens Plus' affirmative defenses of no infringement and inequitable conduct.

CONCISE STATEMENT OF MATERIAL FACTS

1. The '193 Patent issued on March 19, 2002 and is assigned to Diversi-Plast. See Declaration of Tye Biasco (Biasco Decl.), Ex. 1.
2. The specification of the '193 Patent discloses a tile roof system utilizing a batten that allows drainage of water and promotes drying under the tile. Id.
3. Battens Plus was aware of the '193 Patent before August of 2002. See Biasco Decl., Ex. 2 (Response to Request for Admission No. 2).
4. Battens Plus began selling its BattenUp product on or about October of 2003. See Biasco Decl., Ex. 3, p. 177.
5. Diversi-Plast learned of the BattenUp product sometime in the middle of 2003. See Biasco Decl., Ex. 4, pp. 110-11.
6. Diversi-Plast's counsel provided written notification to Battens Plus of the '193 Patent on November 4, 2003. See Biasco Decl., Ex. 5.
7. In response to the November 4, 2003 notification by Diversi-Plast's counsel, Battens Plus contacted its patent attorney, Mark Jacobs, on the morning of November 18, 2003 seeking advice regarding the '193 Patent. See Biasco Decl., Ex. 6.

8. In addition to advising Battens Plus by telephone, Mr. Jacobs responded to Battens Plus advising it that its product “read[s] on” the ‘193 Patent, specifically noting Figure 5 of the patent, and further stating that he did not believe Battens Plus “could avoid making a deal” with Diversi-Plast. See Biasco Decl., Exs. 7; 8, pp. 49-52 and 71-74.

9. Battens Plus continued selling its BattenUp product after being notified of the ‘193 Patent by Diversi-Plast’s counsel on November 4, 2003. Compare Biasco Decl., Ex. 2 (Response to Request for Admission No. 2) and Biasco Decl., Ex. 3, p. 177.

10. Battens Plus continued selling its BattenUp product after receiving advice from Mr. Jacobs on November 18, 2003 that claim 1 of the ‘193 Patent reads on the BattenUp product. Compare Biasco Decl., Exs. 7; 8, pp. 49-52 and 71-74 and Biasco Decl., Ex. 3, p. 177.

11. After failed negotiations with Battens Plus, Diversi-Plast filed the present suit on October 29, 2004. Court Docket No. 1.

12. Battens Plus filed its first amended answer on April 18, 2005 asserting the affirmative defenses of “no infringement” and “inequitable conduct” and counterclaiming “no infringement” and multiple counts relating to allegations of unfair competition. Court Docket No. 22.

13. Battens Plus’ counterclaims of unfair competition were dismissed with prejudice in March 2006. Court Docket No. 49.

14. Battens Plus admits that it has installed its BattenUp product between a roof tile and underlayment or roofing felt. See Biasco Decl., Ex. 9 (Responses to Request for Admission Nos. 35 and 45).

15. Battens Plus admits that it advertises and instructs users of the BattenUp product to install it between a roof tile and underlayment or roofing felt. Id. (Response to Request for Admission Nos. 31-32, 38-39, 41-42, and 48-49); Biasco Decl., Exs. 10; 11.

16. Battens Plus admits that it requested Ramtech Laboratories to install or place its BattenUp product between a roof tile and underlayment or roofing felt in February of 2003. Biasco Decl., Ex. 9 (Responses to Request for Admission Nos. 37 and 47).

17. Battens Plus admits that it knows the BattenUp product has been installed between a roof tile and underlayment or roofing felt. Id. (Responses to Request for Admission Nos. 34, 36-37, 40, 44, 46, 52-63, 87, 89-90, and 92-93).

18. Battens Plus had its BattenUp product evaluated for purposes of meeting building code requirements. See Biasco Decl., Ex. 12.

19. Neither Diversi-Plast nor the inventor of the '193 Patent, Jeff Morris, were aware of the references cited by Battens Plus in its reexam request for the '193 Patent and listed in Battens Plus' inequitable conduct defense until they were produced by Battens Plus in the present litigation. See Biasco Decl., Ex. 4, pp. 85-92; Ex. 13, pp. 157, 174.

SUMMARY

Plaintiff Diversi-Plast, pursuant to Rule 56 of the Federal Rules of Civil Procedure, files this memorandum of law in support of its motion for summary judgment in favor of Diversi-Plast and against Defendant Battens Plus, Inc. ("Battens Plus") that Battens Plus infringes claim 2 of U.S. Patent No. 6,357,193 ("the '193 Patent") and striking Battens Plus' affirmative defenses of no infringement and inequitable conduct. There remain no genuine issues of material fact for a jury to decide on the issues of infringement and inequitable conduct and, thus, the issues should be summarily dispensed with by this court.

LEGAL STANDARD

I. Summary Judgment

Rule 56 of the Federal Rules of Civil Procedure states that summary judgment shall issue if "there is no genuine issue of fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). The movant (here Diversi-Plast) has the burden of showing that no genuine issue of material fact exists. See Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). All evidence must be construed in the light most favorable to the non-moving party (Battens Plus). Bones v. Honeywell Intern., Inc., 366 F.3d 869, 875 (10th Cir. 2004).

Once Diversi-Plast meets its Rule 56(c) burden, Battens Plus "must set forth specific facts showing that there is a genuine issue for trial." See Fed. R. Civ. P. 56(e). "The mere existence of a scintilla of evidence in support of [Battens Plus'] position will be insufficient; there must be evidence on which the jury could reasonably find for [Battens Plus]." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 252 (1986). To defeat the present motion for summary judgment, "evidence, including testimony, must be based on more than mere speculation, conjecture, or surmise." Bones, 366 F.3d at 875. Battens Plus "must do more than merely raise

some doubt as to the existence of a fact; evidence must be forthcoming from [Battens Plus] which would be sufficient to require submission to the jury of the dispute over the fact.” Avia Group Int’l, Inc. v. L.A. Gear California, Inc., 853 F.2d 1557, 1560 (Fed. Cir. 1988); see also Fed. R. Civ. P. 56(e). If Battens Plus does not provide such evidence, Diversi-Plast is entitled to summary judgment as a matter of law.

II. Infringement

Summary judgment is appropriate in a patent case, as in any case, when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Kegel Co. v. AMF Bowling, Inc., 127 F.3d 1420, 1424 (Fed. Cir. 1997). A determination of infringement is a two-step process. First, the court construes the claims to correctly determine the scope of the claims as a matter of law. Markman v. Westview Instruments, Inc., 52 F.3d 967, 981 (Fed. Cir. 1995) (en banc), aff’d, 517 U.S. 370 (1996); Cyber Corp. v. FAS Techs., Inc., 138 F.3d 1448, 1454 (Fed. Cir. 1998) (en banc). Second, the court compares the properly construed claims to the accused device. Id.

A. Claim Construction

Claims are construed as one of ordinary skill in the art would have understood them at the time of invention. Markman, 52 F.3d at 986. One of ordinary skill in the art is deemed to read a claim term in the context of the entire patent, including the specification. Phillips v. AWH Corp., 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). In construing a claim, the court “should look first to the intrinsic evidence, i.e., the claims themselves, the written description portion of the specification, and the prosecution history.” Bell & Howell Document Management Prods. Co. v. Altek Systems, 132 F.3d 701, 705 (Fed. Cir. 1997). Where the intrinsic evidence is unambiguous, it is improper for the court to rely on extrinsic evidence such as expert testimony

for purposes of claim construction. Id. The specification “is the single best guide to the meaning of a disputed term.” Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996).

B. Direct Infringement

Once the claims have been construed, the court compares the construed claims against the accused device. See Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17, 29 (1997). Where the accused device meets all limitations of a patent claim, then the claim is “literally” infringing. Enercon GmbH v. International Trade Com’n, 151 F.3d 1376, 1384 (Fed. Cir. 1998). To prove direct infringement, the plaintiff must establish by a preponderance of the evidence that one or more claims of the patent read on the accused device literally or under the doctrine of equivalents. Advanced Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc., 261 F.3d 1329, 1336 (Fed. Cir. 2001).

C. Indirect Infringement

Although not directly infringing, a party may still be liable for induced or contributory infringement under 35 U.S.C. § 271(b) or (c) if it sells infringing devices to customers who use them in a way that directly infringes a patent claim. R.F. Del., Inc. v. Pac. Keystone Techs., Inc., 326 F.3d 1255, 1267 (Fed. Cir. 2003). In a case of induced infringement under 35 U.S.C. § 271(b), “[t]he plaintiff has the burden of showing that the alleged infringer’s actions induced infringing acts and that he knew or should have known his actions would induce actual [direct] infringements.” Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544, 553 (Fed. Cir. 1990). “While proof of intent is necessary, direct evidence is not required; rather, circumstantial evidence may suffice.” Water Techs. Corp v. Calco, Ltd., 850 F.2d 660, 668 (Fed. Cir. 1988). Where the alleged infringer acts with knowledge of the patent, “intent additionally to cause an

infringement can be presumed.” MEMC Electronic Materials, Inc. v. Mitsubishi Materials Silicon Corp., et al., 420 F.3d 1369, 1378 n. 4 (Fed. Cir. 2005)

In the case of contributory infringement under 35 U.S.C. § 271(c), the plaintiff has the burden of showing the defendant “knew that the combination for which its components were especially made was both patented and infringing” and that defendant’s components have “no substantial non-infringing uses.” Golden Blount, Inc. v. Robert H. Peterson Co., 365 F.3d 1054, 1061 (Fed. Cir. 2004) (internal quotations omitted). Only proof of a defendant’s knowledge, not intent, that his activity causes infringement is necessary to establish contributory infringement. Aro Mfg. Co. v. Convertible Top Replacement Co., 377 U.S. 476, 488 (1964).

III. Inequitable Conduct

“Inequitable conduct occurs when a patentee breaches his or her duty to the [United States Patent and Trademark Office (or Patent Office)] of ‘candor, good faith, and honesty.’” Warner-Lambert Co. v. Teva Pharms. USA, Inc., 418 F.3d 1326, 1342 (Fed. Cir. 2005) (citation omitted). An applicant for a patent has no duty to conduct a prior art search. American Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1362 (Fed. Cir.), cert. denied, 469 U.S. 821 (1984) (“Nor does an applicant for patent, who has no duty to conduct a prior art search, have an obligation to disclose any art of which...he ‘reasonably should be aware.’”); 37 C.F.R. § 1.97(g) and (h). A party asserting that a patent is unenforceable due to inequitable conduct must prove materiality and intent to deceive by clear and convincing evidence. Kingsdown Med. Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 872 (Fed. Cir. 1988). Intent to deceive cannot be “inferred solely from the fact that information was not disclosed; there must be a factual basis for a finding of deceptive intent.” Hebert v. Lisle Corp., 99 F.3d 1109, 1116 (Fed. Cir. 1996). “When the absence of a good faith explanation is the only evidence of intent, however, that

evidence alone does not constitute clear and convincing evidence warranting an inference of intent.” M. Eagles Tool Warehouse, Inc. v. Fisher Tooling Co., Inc., --- F.3d ----, 2006 WL 454355, *6 (Fed. Cir. 2006).¹ Granting summary judgment of no inequitable conduct is proper when the asserting party fails to present any evidence of the patentee’s intent to deceive the Patent Office. See Abbott Laboratories v. TorPharm, Inc., 300 F.3d 1367, 1380 (Fed. Cir. 2002).

ARGUMENT

- I. **Batten Plus’ BattenUp product is identical to the batten disclosed and claimed in the ‘193 Patent and depicted in Figure 5 and its use by Battens Plus and other users infringes the invention as set forth in claim 2.**

A. Claim Construction

The first step in an infringement analysis is to construe the claims at issue. Cyber Corp., 138 F.3d at 1454. The claim limitations for the claim that is the subject of this motion are set forth below.²

Claim 2

A tile roof system, comprising:

an overlayment;

a tile; and

a batten disposable between the tile and the overlayment, the batten comprising:

at least one layer comprising a generally planar first ply and a second ply, the first and second plies cooperating to define a multiplicity of passages extending generally transversely to a longitudinal axis of the batten, in which the second ply includes a multiplicity of cross plies extending between the first plies.

¹ Biasco Decl., Ex. 14.

² Claim 2 is the only claim asserted against Battens Plus in the present case. Claim 2 is dependent from claim 1 of the ‘193 Patent, and, therefore, includes all of the limitations of claim 1. 35 U.S.C. § 112, ¶ 4 (“A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.”). For ease of reference, Claim 2 is shown with each of the limitations of claim 1. The claims can be found in Exhibit 1 to the Biasco Declaration.

1. Overlayment.

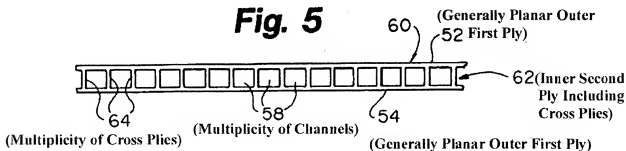
The overlayment element of claim 2 is clearly defined by the specification of the '193 Patent as roofing materials, such as felt or tar paper, overlaying the top of a roof deck. Biasco Decl., Ex. 1, col. 1, lines 19-28; col. 4, lines 36-37. Those of ordinary skill in the art of roofing understand the term "overlayment" to be the same as "underlayment." See Biasco Decl., Ex. 15, Initial Report pp. 2, 5. Therefore, "overlayment" does not require any special definition and should be construed to have its ordinary meaning to one skilled in the art of roofing in light of the specification of the '193 Patent: "material installed over a roof deck."

2. Tile.

The tile element of claim 2 is plainly understood by those of ordinary skill in the art of roofing to be a roofing tile made of various materials, such as clay, concrete, metal, etc. See Biasco Decl., Ex. 1, col. 4, lines 57-62. Therefore, "tile" does not require any special definition and should be construed to have its ordinary meaning to one skilled in the art of roofing in light of the specification of the '193 Patent: "a roofing tile."

3. Batten.

The batten element of claim 2 is clearly understood from the specification and the depiction in Figure 5 of the '193 Patent as "a spacer which spaces tiles from roofing materials." Ex. 1, col. 1, line 56 - col. 2, line 15. Figure 5 depicts the batten element of claim 2.

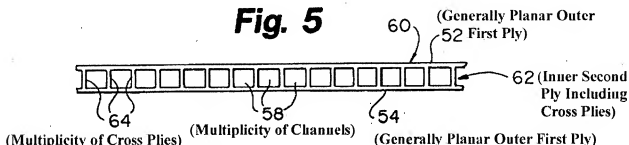


The specification and Figure 5 from the '193 Patent disclose an exemplary embodiment of the patented batten having distinct plies:³

Another embodiment of layer 34 is depicted in FIG. 5 generally as layer 60. Layer 60 includes planar plies 52 and 54 and second ply 62. Second ply 62 includes a multiplicity of cross-plies 64. Cross-plies 64 extend generally perpendicular (or otherwise transversely) between planar plies 52 and 54. Thus, planar plies 52 and 54 and second ply 62 cooperate to define a multiplicity of channels 58 therebetween.

Biasco Decl., Ex. 1, col. 3, lines 18-25.

The batten element of claim 2 of the '193 Patent includes "at least one layer" having "first and second plies cooperating to define a multiplicity of passages extending generally transversely to a longitudinal axis of the batten." Claim 2 further requires that the second ply includes "a multiplicity of cross plies extending between the first plies."



As shown above in Figure 5, the first plies (52) and (54) are distinct or distinguishable sections of the batten separated or spaced apart by the inner second ply (62) that is comprised of transverse cross plies (64).⁴ The cross plies (64) are generally transverse inner walls of the second ply (62) that form vertical shaped sections (i.e., I-beam shaped). These cross plies (64) create the multiplicity of channels or passages (58) that run transverse to the length of the batten

³ The limitation of "cross plies" is only disclosed in the specification with reference to Figure 5 of the '193 Patent as quoted herein.

⁴ Parenthetical numerals correspond to the numbers identifying the structure of the batten from Figure 5.

to allow water drainage through the batten. Therefore, Figure 5 from the '193 Patent provides the most straightforward definition of the batten limitations.⁵

Simply put, one of ordinary skill in the art would understand "first plies" as "spaced apart and distinct outer planar sections."⁶ "Second plies" would be understood by one of ordinary skill in the art as "a distinct inner section." "Cross plies" would be understood as "distinct transverse sections of a second ply."

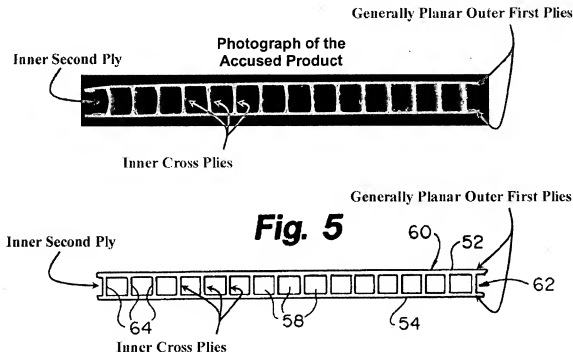
B. Direct Infringement-Reading Claim 2 on the BattenUp Product

The second step in an infringement analysis is to compare the properly construed claims to the accused device. Cyber Corp., 138 F.3d at 1454. The use of the BattenUp product as advertised and instructed by Battens Plus satisfies each and every claim limitation of claim 2 of the '193 Patent. With regard to the "overlayment" and "tile" elements of claim 2, Battens Plus admits via its responses to Diversi-Plast's Requests for Admissions that Battens Plus has installed its BattenUp product between a roof tile and underlayment or roofing felt. See Biasco Decl., Ex. 9 (Responses to Requests for Admission Nos. 35 and 45). Battens Plus has also admitted that it advertises and instructs users of the BattenUp product to install it between a roof tile and underlayment or roofing felt. Id. (Responses to Requests for Admission Nos. 35 and 45). Battens Plus further admits that it knows users of the BattenUp product have installed it between a roof tile and underlayment or roofing felt. Id. (Responses to Requests for Admission Nos. 34, 36-37, 40, 44, 46, 52-63, 87, 89-90, and 92-93). Therefore, the only element of claim 2 that remains to be examined to determine infringement is the batten element.

⁵ "In some cases, the ordinary meaning of claim language as understood by a person of skill in the art may be readily apparent even to lay judges, and claim construction in such cases involves little more than the application of the widely accepted meaning of commonly understood words." Phillips, 415 F.3d at 1314 (citation omitted).

⁶ See Biasco Decl., Ex. 15, Initial Report pp. 2, 6-7, Reply Report pp. 2-3; Phillips, 415 F.3d at 1313 ("[T]he person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification.").

When one views the BattenUp product, it is immediately apparent that it is identical to the embodiment disclosed in Figure 5 and claimed in claim 2 of the '193 Patent.⁷

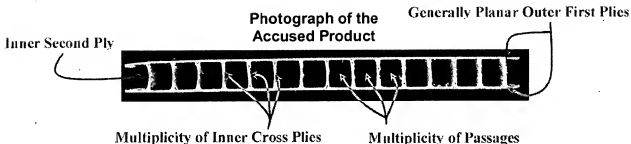


Each of the batten limitations of the batten element from claim 2 are found in the BattenUp tile batten. To begin with, the BattenUp tile batten is “disposable” (or placed) “between the tile and the overlayment” as shown below in a photograph taken from Battens Plus’ website. Biasco Decl., ¶ 18. The Legacy Report for the BattenUp product submitted by Battens Plus illustrates that the BattenUp product is to be “fastened to [a] roof deck” and under “clay or concrete roofing tile.” Biasco Decl., Ex. 12, pp. 1-2.

⁷ Biasco Decl., ¶ 17.



Second, the BattenUp tile batten has a single layer comprising generally planar first plies ("spaced apart and distinct outer planar sections") and a second ply ("a distinct inner section"). The second ply includes a multiplicity of cross plies ("distinct transverse sections of a second ply."), defining a multiplicity of passage extending generally transversely to the BattenUp's longitudinal axis identical to those claimed in claim 2 and depicted in Figure 5 of the '193 Patent. Documents submitted by Battens Plus for compliance with building codes confirm the structure of the BattenUp product. The Legacy Report for the BattenUp product submitted by Battens Plus states that BattenUp battens are made of extruded polypropylene and have top and bottom "flanges" and "vertical stiffeners" that form openings "between the top and bottom surfaces of the batten" that "allow water to drain" through the batten. Biasco Decl., Ex. 12, p. 1. The top and bottom "flanges" are the first plies and the "vertical stiffeners" are the cross plies. The photograph below of a BattenUp batten section clearly shows that the product has all of the limitations of the batten element of claim 2 and as illustrated by Figure 5 of the '193 Patent.



If Battens Plus had any doubts whether it infringed the '193 Patent, its own patent attorney, Mark Jacobs, informed Battens Plus that the BattenUp product "read[s] on" the '193 Patent, specifically noting Figure 5 of the patent, and that he did not believe Battens Plus "could avoid making a deal." See *Biasco Decl.*, Exs. 7; 8, pp. 49-52. During his deposition, Mr. Jacobs stated that by "reads on" he meant that "[t]he elements of the claim are found in the product" and that "making a deal" meant "hey, you got a problem..." *Biasco Decl.*, Ex. 8, pp. 73-74. An accused device infringes a patent claim when it meets all limitations of that claim. *Enercon GmbH*, 151 F.3d at 1384. Given the proper comparison between the claim language and the BattenUp product, reasonable minds could not differ as to the issue of direct infringement of claim 2 of the '193 Patent by Battens Plus and the users of the BattenUp product. As such, summary judgment in favor of Diversi-Plast is appropriate.

C. Indirect Infringement

1. Battens Plus induces infringement by advertising and instructing users of its BattenUp product to install its BattenUp product between roof tiles and overlayment.

As detailed above, the BattenUp product includes every limitation of the batten element of claim 2 of the '193 Patent. Battens Plus admits that it advertises and instructs users of the BattenUp product to install it between a roof tile and underlayment or roofing felt. See *Biasco Decl.*, Ex. 9 (Responses to Requests for Admission Nos. 31-32, 38-39, 41-42, and 48-49).

Battens Plus further admits that users of the BattenUp product have installed it between a roof tile and underlayment or roofing felt. *Id.* (Responses to Requests for Admission Nos. 34, 36-37, 40, 44, 46, 52-63, 87, 89-90, and 92-93). Battens Plus also admits to having knowledge of the '193 Patent before ever selling the BattenUp product. *See* Biasco Decl., Ex. 2 (Response to Request for Admission No. 2), Ex. 3; p. 177. Moreover, Battens Plus was advised by its patent counsel that it infringed the '193 Patent. Biasco Decl., Exs. 7; 8, pp. 49-52. Therefore, Battens Plus knew or should have known that it was inducing infringement. Intent can also be inferred from Battens Plus' admission that it advertises and instructs its users to install the BattenUp product between a roof tile and overlayment. *MEMC Electronic Materials*, 420 F.3d at 1378 n. 4 (knowledge of patent found to presume intent to infringe). Therefore, summary judgment of induced infringement is proper because reasonable minds could not differ that Battens Plus induced its customers to infringe claim 2 of the '193 Patent by advertising and instructing users of its BattenUp product to install it between a roof tile and underlayment or roofing felt and its customers did so.

2. Battens Plus contributes to infringement of the '193 Patent because it has knowledge that its BattenUp product infringes when used and does not have substantial non-infringing uses.

In the case of contributory infringement, Diversi-Plast has the burden of showing by a preponderance of the evidence that Battens Plus knew the BattenUp product infringed the '193 Patent and that the BattenUp product has no substantial non-infringing uses. *Golden Blount*, 364 F.3d at 1061. As explained above, Battens Plus had knowledge of the '193 Patent shortly after the patent issued and more than a year before it began selling the BattenUp product. Biasco Decl., Ex. 2 (Response to Request for Admission No. 2); Ex. 3, p. 177. Battens Plus also knew that its BattenUp product infringed the '193 Patent when used with tile roof systems

because its patent counsel clearly advised it that the product infringed. Biasco Decl., Exs. 7, 8 pp. 49-52. Therefore, the only issue to be examined for contributory infringement is whether there are substantial non-infringing uses for the BattenUp product.

Evidence of a product being especially adapted for use in an infringing manner is sufficient to demonstrate that the accused product does not have substantial non-infringing use. See Mentor H/S, Inc. v. Medical Device Alliance, Inc., 244 F.3d 1365, 1379 (Fed. Cir. 2001). Battens Plus testified that the BattenUp product was specifically manufactured to be used in tile roof systems. Biasco Decl., Ex. 3, p. 230. In addition, Battens Plus' advertising states that the BattenUp product was "designed to replace wood battens" and its instructions indicate that the BattenUp product has markings to indicate proper installation with tile roof systems. Biasco Decl., Exs. 10, 11. Furthermore, Battens Plus had the BattenUp product evaluated specifically for use in tile roof systems by the International Conference of Building Officials. Biasco Decl., Ex. 12. Diversi-Plast also testified that all of its BattenUp advertising and instructions to date were for use specifically in roof tile systems. Biasco Decl., Ex. 3, p. 280. Diversi-Plast has met its burden of showing *prima facie* evidence that the BattenUp product has no substantial non-infringing uses. The burden of production thus shifts to Battens Plus to introduce some evidence that users of the BattenUp product actually use it in a non-infringing way. Golden Blount, Inc. v. Robert H. Peterson Co., --- F.3d ---, 2006 WL 335607 (Fed. Cir. 2006).⁸

Even if the BattenUp product has some *de minimis* non-infringing use, a manufacturer's knowledge that the component is to be used by a customer in an infringing system is sufficient to meet the burden of proving contributory infringement. See Dawson Chemical Co. v. Rohm & Haas Co., 448 U.S. 176, 218 (1980) (stating that when component sold for use in infringing system, article is not staple). Battens Plus has produced a couple of communications with third

⁸ Biasco Decl., Ex. 16.

parties that did not occur until late in 2005 in an apparent attempt to show some use of its BattenUp product other than in an infringing manner. However, Battens Plus testified that it has no knowledge of ever selling the BattenUp product for any non-infringing use. Biasco Decl., Ex. 3, p. 285. Therefore, summary judgment of contributory infringement is proper because reasonable minds could not differ that Battens Plus knew the BattenUp product infringed the '193 Patent when used as advertised and that the BattenUp product has no substantial non-infringing uses.

II. Battens Plus' affirmative defense of inequitable conduct is not supported by the undisputed facts surrounding Diversi-Plast's prosecution of the '193 Patent.

Battens Plus' defense of inequitable conduct is based solely on the fact that Diversi-Plast did not disclose particular prior art. Specifically, Battens Plus plead as an affirmative defense that Diversi-Plast withheld U.S. Patent Nos. 5,471,807 and 5,617,690, German Patent No. DE 44 21 941 A1, and United Kingdom Patent No. GB 20 62 056 from the Patent Office.⁹ See Court Docket No. 22, pp. 3-4. Thus, Battens Plus maintains that Diversi-Plast engaged in inequitable conduct by "willfully or with gross negligence" withholding material prior art from the Patent Office. *Id.* However, "mere gross negligence is insufficient to justify an inference of an intent to deceive the PTO." Baxter International, Inc. v. McGaw, Inc., 149 F.3d 1321, 1329 (Fed. Cir. 1998) (citation omitted). Therefore, for Battens Plus to prevail in its defense of inequitable conduct, it must show by clear and convincing evidence that Diversi-Plast made a deliberate decision to withhold material prior art. Kingsdown, 863 F.2d at 872; Hebert, 99 F.3d at 1116.

Even assuming that the references allegedly withheld were material, Battens Plus has failed to identify any evidence during discovery that Diversi-Plast intentionally withheld any

⁹ This is the only allegation of inequitable conduct plead by Battens Plus in its First Amended Answer and Counterclaims.

material prior art. Diversi-Plast specifically asked Battens Plus to identify all facts and assertions underlying its contention that the '193 Patent is unenforceable due to inequitable conduct. See Biasco Decl., Ex. 17, (Interrogatory No. 9). Other than an uncorroborated statement that Diversi-Plast "willfully failed to disclose" the references plead in its affirmative defense, Battens Plus provided no factual support for its allegations. Id., (Response to Interrogatory No. 9).

Diversi-Plast further requested all facts and evidence supporting any contention that Diversi-Plast had intent to deceive the Patent Office during the prosecution of the '193 Patent. See Biasco Decl., Ex. 18, (Interrogatory No. 16). Battens Plus' answer to that inquiry identified thirteen pages of documents and generally cited the deposition transcripts of Diversi-Plast and inventor Richard Morris. Id., (Response to Interrogatory No. 16). However, none of those documents address prior art in any way or state that Diversi-Plast even had knowledge of the references cited in Battens Plus' affirmative defense, let alone intended to withhold them. See Biasco Decl., Ex. 19. As for the deposition of Richard Morris, he stated that he had never seen the allegedly withheld German and U.K. references and did not recognize any of the U.S. patents listed in Battens Plus' affirmative defense. See Biasco Decl., Ex. 13, pp. 157, 174, and 176-77. Nor did the deposition of Diversi-Plast indicate that any of its other employees had ever seen any of the allegedly withheld references. See Biasco Decl., Ex. 4, pp. 85-92.

In sum, there is no evidence that Diversi-Plast intended to deceive the Patent Office, even when viewing the facts in a light most favorable to Battens Plus. In fact, there is no evidence Diversi-Plast even knew the existence of the references plead by Battens Plus. Therefore, reasonable minds cannot differ that Battens Plus' affirmative defense must fail as a matter of law. Granting summary judgment striking Battens Plus' affirmative defense of inequitable conduct is

proper because Battens Plus failed to present any evidence that Diversi-Plast intended to deceive the Patent Office. Abbott Labs, 300 F.3d at 1380; Mitek Surgical Products, Inc. v. Arthrex, Inc., 21 F.Supp.2d 1309, 1317 (D. Utah 1998).

CONCLUSION

As set forth herein, reasonable minds could not differ that the BattenUp product infringes the '193 Patent when used as advertised and instructed by Battens Plus and that Battens Plus knew the BattenUp product infringed the '193 Patent when used in that manner. Because Battens Plus has admitted that it and users of its BattenUp product have used it as Battens Plus advertises and instructs, Diversi-Plast respectfully requests that this court grant its motion finding infringement of claim 2 of the '193 Patent, both directly and indirectly under 35 U.S.C. § 271(a)-(c). Battens Plus' affirmative defense of inequitable conduct is without merit because there is no evidence of intent to deceive on the part of Diversi-Plast. Because Battens Plus' defense of inequitable conduct is deficient as a matter of law, Diversi-Plast respectfully requests that the court strike that affirmative defense as well.

Respectfully submitted,

Date: March 31, 2006

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